

Administration of Barack H. Obama, 2009

Message to the Senate Transmitting the Protocol Amending the New Zealand-United States Taxation Convention

June 16, 2009

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to its ratification, the Protocol Amending the Convention between the United States of America and New Zealand for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income, signed on December 1, 2008, at Washington (the "proposed Protocol"). I also transmit for the information of the Senate the report of the Department of State, which includes an Overview of the proposed Protocol.

The proposed Protocol provides for the elimination of withholding taxes on certain cross-border direct dividend payments and on cross-border interest payments to certain financial enterprises. The proposed Protocol reduces the existing Convention's 10-percent limit on withholding taxes on cross-border payments of royalties to 5 percent.

The proposed Protocol contains a comprehensive provision designed to prevent "treaty shopping," which is the inappropriate use of a tax treaty by third-country residents. The proposed Protocol also provides for the exchange of information between tax authorities of the two countries to facilitate the administration of each country's tax laws.

I recommend that the Senate give early and favorable consideration to the proposed Protocol and give its advice and consent to ratification.

BARACK OBAMA

The White House,
June 16, 2009.

Categories: Communications to Congress : New Zealand-U.S. Taxation Convention, message transmitting protocol amending.

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